THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Reserve Bank of India (RBI) has reported that with the objective of ensuring greater financial inclusion and increasing outreach of the banking sector, it has been decided in public interest to allow all Scheduled Commercial Banks including Regional Rural Banks (RRBs) to use the services of Non-Governmental Organisations, Self Help Groups, Micro Finance institutions and other Civil Society Organisations as intermediaries in providing financial and banking services through the use of Business Facilitator and Correspondent models as indicated in RBI's Circular dated January 25, 2006.

(b) RBI generally encourages banks to open branches in rural areas. Further, RRBs are not allowed to close down any rural branch. However, merger of two loss making branches of RRBs, operating in close proximity to each other *(i.e.* within a distance of about 5 Km.), is considered by RBI on merits of each case.

(c) and (d) No rural branch of any Scheduled Commercial Bank has been closed/merged/converted in Kerala during the financial year 2004-05. Further, no proposal is pending for amalgamation of RRBs in Kerala.

(e) No, Sir.

Single window facility for payment of tax

221. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have launched Large Taxpayers Units (LTU) and invited the 582 top corporates to avail themselves of the single window facility to pay their taxes while promising to set up a National Tax Tribunal in 2006 to reduce disputes and improve collections;

(b) if so, the response of each company in this regard;

(c) the cities identified to set up LTUs so far;

(d) whether Government are also in the process of hiring consultants for restructuring of IT Department; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government has announced setting

up of Large Tax Payer Units (LTUs) to provide single window facility to large taxpayers paying excise duty, corporate/income tax and service tax. The total number of entities who are eligible to join the LTUs is 343.

(b) Response from the eligible entities with regard to their decision to join the LTUs is awaited.

(c) Government has decided that initially LTUs will be set up at Delhi, Mumbai, Kolkata, Chennai and Bangalore.

(d) At present there is no such proposal.

(e) Not applicable, in view of reply to (d) above.

Interest on external debt

222. SHRIMATI VANGA GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether the country's external debt increased by 1.8 per cent ($2.2 billion) to $124.30 billion in the first six months of the last year;

(b) if so, the details thereof and the reasons therefor;

(c) whether it is a fact that there was a decline in debt taken from agencies like World Bank, ADB and IMF;

(d) if so, the details of such debts taken during the last two years from each agency;

(e) the interest paid to each organization during the last two years; and

(f) the interest to be paid for the remaining term to each agency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) India's total external debt rose by US$2.2 billion or 1.8 per cent o US$124.3 billion as at the end of September, 2005 from US$122.1 billion at end-June 2005. However, as compared to end-March 2005, the stock of external debt at end September, 2005 showed a smaller rise of 0.9 per cent or US$1.05 billion. Details of India's external debt outstanding as at end-September, 2005 are given in Table 1 below. The reasons for rise in external debt were mainly increase in commercial borrowings due to benign conditions in international capital markets and surge inshort term debt reflecting buoyant import demand.